



Address

**The Honorable
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U.S. Mission to the OECD**

“The Glass Ceiling: Will We Ever Break Through?”

**Gender Mainstreaming and Regional Aspects
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The Role of Women in Society

Thank you for that kind introduction. It's a pleasure to be here in Bratislava to discuss issues of gender mainstreaming -- issues which have been dear to my own heart throughout my career as a teacher and legislator -- and to discuss issues which continue to confront and challenge us daily throughout the world.

The role of women in society has long been debated. That debate has spanned the issue of women as mothers and care-givers, to more recent debates about respect for women, freedom and equality of rights and protections. In fact, in my own country, the United States, it took some 130 years before we interpreted the phrase "All men are created equal," flexibly enough to permit women to vote.

Today, that debate also centers around the economy and the contribution women make to economic growth. At the OECD, a lot of work is being done on gender and the development of indicators of how well men and women are doing.

You might ask why the OECD is studying issues of gender, issues which have traditionally had social and moral dimensions. We now know that gender mainstreaming has an enormous impact on economic growth and that the inclusion of women in policy making is critical if countries wish to 'achieve the highest sustainable economic growth and employment and a rising standard of living,' which OECD policies are designed to promote. Progress towards gender equality and women's empowerment is vital for

improving economic, social and political conditions throughout the world. We now know that the success with which a developing country integrates female workers into its labor force partially determines its level of competitiveness in the global economy.

Setting the Stage

While women's participation in the labor market is critical and while large numbers of women today do indeed work outside the home, in the U.S. for example some 46% do, their numbers in senior executive positions is abysmal. The 'glass ceiling' my friends, is alive and well.

Before I discuss the issue of the 'glass ceiling' and the impediments to women in senior executive positions, it's important to first understand women's participation in the labor market today.

In 2005 women slightly outnumbered men in all OECD countries except where the numbers were equal. In the OECD area as a whole, there are 104 women for every 100 men.

At the same time, fertility rates have been falling. A rate of about 2.1 will produce a stable population. Less than this the population will decline unless the shortfall is made up by immigration. Only two OECD countries have fertility rates above this level. The average fertility rate in OECD countries is just 1.6.

Many reasons have been given for the dramatic change in fertility rates. The most convincing is that young women, now better educated than those of

earlier generations, wish to have a career as well as a family. The countries with the lowest fertility rates tend to be the countries with the highest female employment rates. Women are indeed choosing between career and family.

In terms of education, on average 33% of women aged 25-34 have tertiary education compared with 28% for men of the same age in OECD countries. Even in the poorest parts of the world more than 60% of young girls usually attend primary school. In sub-Sahara Africa and in the Indian Sub-Continent only 3-4% of young women receive tertiary education.

Although tertiary education delays the start of paid employment, it substantially increases lifetime earnings and is a good investment for the individual and for society as a whole. In the OECD area, tertiary attainment rates range from below 12% to above 35%. In the United States, attainment rates reach nearly 40% and surpass those of men. Today, more than ever before, women are highly educated, increasing both their opportunities for employment and earning power.

What is interesting though, is that there are large gender differences in the subjects that young men and women study at university. Women prefer health and welfare subjects with humanities, arts and education a close second. For male graduates, subjects related to engineering, manufacturing and construction come first, just ahead of mathematics and computer science.

This is often reflected in wage gaps. In all OECD countries median wages for men are higher than those for women. The average difference is more

than 15% and exceeds 20% in some countries -- in the U.S. men earn 22% more.

Employment rates of women are below that of men in all OECD countries. But nearly everywhere, the gap between male and female employment rates has been falling. In the U.S. about 65% of women are employed compared with nearly 80% of men. In all OECD countries however, the growth of female employment has been higher than that of men. Compared to men however, women have a higher risk of being unemployed in most OECD countries.

Women are outnumbered by men in all the world's parliaments. Interestingly enough, there is no reliable relationship between how rich a country is, and how many women are in parliament. Sweden has the highest rate at 45% of parliamentary seats, while in most OECD countries women hold less than a quarter of seats and in my own parliament in the U.S., only 15% of all legislators are women. As a former Congresswoman, I can personally attest to the poor participation rates of women in parliament and remember how we struggled to have our voices heard -- a subject on which I could offer many personal anecdotes and experiences.

Finally, OECD data shows that in all OECD countries, higher percentages of men work as managers or directors compared to women. The OECD average of female employees in executive positions is just 4% compared nearly 8% for male employees. In the U.S., 12% of female employees hold senior positions compared with nearly 16% of male employees.

The Glass Ceiling

Just what is keeping women from senior executive positions? We have made significant progress in advancing gender equality in recent decades.

Globally, women's labor force participation has increased. Women around the world have been steadily moving into occupations, professions, managerial jobs generally reserved for men. Access to education and training continues to improve, providing many women with the necessary qualifications to aspire to senior positions. Spurred on by women's movements worldwide, governments, business, labor movements and civil society has devoted much thought and energy to overcome troubling and persistent gender inequalities. Yet many of the results continue to fall short of expectations. What is clear is that gender discrimination is rampant and the 'glass ceiling' not only exists but is still a major barrier to women in their careers.

Coined in the 1970s in the U.S., the term 'glass ceiling' describes the invisible artificial barriers, created by attitudinal and organizational prejudices, which block women from senior executive positions. It is essentially a reflection of social and economic gender inequality. It is a reflection of gender roles and relations which give rise to and perpetuate inequalities between men and women.

There are essentially two views with respect to gender inequality -- there are those who believe that that rising incomes will close the gender differential and others who say that enduring patriarchal institutions will drive discriminatory practices. By constraining women's participation in the labor

force, they argue, gender inequality is cemented. Real obstacles remain and these are often rooted in the way work and life are organized.

With the achievement of educational parity and changes in social attitudes towards women's and men's roles, it had been somehow assumed that women would quickly move up the career ladder. This has proved hard to achieve and no more so than at the top, where the prevalence of male executives tends to perpetuate the glass ceiling and where women often find themselves without the right mix of corporate experience required for senior executive positions.

A major source of discrimination stems from the strongly held attitudes towards women's and men's social roles and behavior. The consequences of gender inequalities include women being 'crowded' into a narrow range of occupations where there is less responsibility and and/or lower pay, or having to work part-time where there are fewer opportunities for advancement.

Women's labor participation rate is increasing thanks to higher education levels and changing views about women's roles, albeit slowly. Women are also spending more of their productive years in the work force. In the United States, for example, the proportion of working mothers with children under three grew from 34% in 1975 to 57% in 1994, while the percentage of working mothers with children less than a year old was 56.6% in 1998.

Contrary to societal beliefs and organizational pressures, if we are to reap the benefits of women in the labor force, they should never be forced to choose between motherhood and their livelihood.

Flexible Labor Markets

While women's participation in the labor market is increasing, gender inequalities exist in employment status and the quality of jobs held by women. Women often have part-time and temporary jobs, while men hold more of the well-paid and secure ones. Part-time work for women is often triggered by motherhood, whereas for men it occurs more often with labor market entry or exit.

Occupational Segregation

In addition to gender differences in working time patterns, another factor that contributes to gender inequality is that men and women perform different jobs and so-called 'women's jobs' are often assigned a lower value in terms of skill requirements and remuneration. Developments in job evaluation have often demonstrated that in fact many jobs occupied by women require levels of skills, responsibilities, task variation and complexity similar to that of higher paid jobs held by men.

Research has found that almost half of the world's workers are in sex-stereotyped occupations, where one sex predominates to such an extent representing at least 80%, that these occupations could be considered 'male' or 'female.' In the United States, although the percentage of women participating in the labor force has increased dramatically in recent times, women have remained in a narrow range of occupations.

Not only do women and men have different jobs, but there are also differences in the extent to which they are represented in the hierarchy of positions within jobs. Even in occupations dominated by women, men usually occupy the “more skilled”, “responsible” and better paid positions. For example in the teaching profession, the majority of teachers are often women but the top administrators are men. Similarly in the health field, doctors and hospital heads are very often men, while most of the nurses and support staff are women. This is commonly referred to as ‘vertical gender segregation.’

The movement of women upward through occupational categories to take up more responsible and managerial jobs is hampered by institutional barriers and social attitudes. In Japan, the glass ceiling has been nicknamed the ‘concrete ceiling’, where eminently qualified women not only are being barred from senior positions but often find themselves steered toward secretarial or clerical positions despite their training.

The ‘glass ceiling’ usually refers to this type of vertical segregation where recognition of factors such as skill levels, responsibility, pay, status and power is crucial to accessing management positions.

Closing the Pay Gap

One outcome of occupational segregation is significant pay differences between men and women. The gap is slowly closing but is likely to remain while occupations are highly segregated by sex. In the United States, just one year after graduation, women who are working full-time earn only 80%

as much as their male counterparts do. After 10 years this decreases to 69% of what male colleagues earn. Taking into account all possible factors for this wage gap, researchers for the American Association of University Women found that they still could not account for $\frac{1}{4}$ of that difference or 5% differential in pay.

In 2006, women held 14.6% of board seats at Fortune 500 companies, down from 14.7% in 2005. Women of color held just 3.1% of all Fortune 500 seats, down from 3.4% in 2005. The number of companies with no women board directors increased from 53 in 2005 to 58 in 2006, but the number of companies with three or more women board directors also increased from 76 in 2005 to 85 in 2006.

A recent report by the United Nations Economic and Social Commission for Asia and the Pacific concludes that sex discrimination costs the region \$42-47 billion a year by restricting women's job opportunities. The report proposes that if women's employment rates were raised to the same level as men's, and suppose that GDP rose in proportion with employment, then America's GDP would be 9% higher, the Euro zone's would be 13% more, and Japan's would be boosted by 16%!

In the United States, men with the same education as women earn more; and the higher the level of education becomes, the greater the salary gap becomes. Men with undergraduate degrees earn over 27% more than their female counterparts and men with professional degrees earn almost 38% more than their female counterparts.

Reconciling Work and Family

The gender division of time between work and family represents probably the most significant gender issue of all and explains many of the differences between the work patterns and job types of men and women. Studies show that women work longer than men in nearly every country. Women perform on average 53% of the total amount of paid and unpaid work in developing countries, and 51% in industrialized countries. Paid work and house work showed the biggest differences between men and women. Women continue to spend more time than men on family and household responsibilities, making it increasingly difficult to participate more fully in the labor market.

Women in Professional and Managerial Jobs

Over the last few decades, women have attained educational levels comparable to those of men in many countries and have been increasingly hired in jobs reserved for men. Women today represent over 40% of the global workforce and have been gradually moving up the hierarchical ladder of organizations. Yet typically, their share of management positions doesn't exceed 20%, and the more senior the position is involved, the more glaring is the gender gap. Surveys reveal that in the largest and most powerful companies worldwide, women's share in top positions is limited to a mere 2-3%.

The term 'glass ceiling' illustrates well the point that when there is no objective reason for women not rising to the very top as men do, there exists inherent discrimination in the structures and processes of both organizations and society in general. Qualified and competent women look up through the

glass ceiling and can see what they are capable of achieving, but invisible barriers prevent them from breaking through.

The nature of women's career paths is a major factor blocking women from top positions. At junior management levels, women are usually placed in functions which are non-strategic, for example human resources and administration, rather than in line and management jobs that lead to the top. Often this is compounded by women being cut-off from both the formal and informal networks that are necessary for advancement within organizations. For women with family responsibilities, upward movement may be hampered as they struggle to satisfy the needs of both career and family.

Improvements in educational qualifications of women and the fact that many have been increasingly delaying marriage and having children, have created a pool of women worldwide both qualified and ready for managerial jobs. At the same time, growth in public sector and the services sector, and the introduction of equity laws and policies in many countries, have provided opportunities for qualified women to occupy lower to middle management posts. These changes have paved the way for women aspiring or taking up more senior management posits.

Women's interest in professional or managerial work and the predicted shortfalls of highly qualified managers, have not, however, resulted in women obtaining senior executive positions in record numbers. The glass ceiling continues to limit women's access to senior management in areas which involve more responsibilities and higher pay.

Women at the Top

Few women gain access to the highest levels as executive heads of organizations and despite some improvements, many would claim that the pace of change is still far too slow given the large number of qualified women in the labor market today. Women are holding a mere 1-5% of top executive positions worldwide and in the United States that figure stands at around 5.1%, with women forming only 3.3% of the top earners in companies. The fact remains that women are not moving quickly enough or in sufficient numbers into line or strategic positions. Yet this factor is crucial for enlarging the pool of women aspiring to senior positions and for building a critical mass of future leaders.

Recruitment and promotion methods need to recognize this need and above all, top management must be aware and committed to ensuring that women form a greater majority of senior posts.

Women in Politics

Life for women in politics is no different -- the glass ceiling exists here too. Women's representation in parliaments worldwide is particularly low. In early 2000, women's representation stood at just 13%. We've recently witnessed the election of women heads of state in Chile, Germany and Liberia. However, generally, women tend to be concentrated in certain areas and are remarkably absent from holding higher responsibilities in the fields of finance and foreign affairs, and in security and defense. Women tend to be concentrated in areas deemed more closely related to women's perceived social roles and therefore considered more suited to women, such as social, health, family and labor affairs.

In my own country, we have never had a female President -- although this could change in the next election! -- And for the first time in our history we now have a female Secretary of State.

Obstacles to Breaking Through the Glass Ceiling

The hurdles facing women aspiring to reach management jobs can be so formidable that they often abandon efforts to make it to the top. Women often cite family obligations and the dominance of 'male values' to be the main obstacles for career advancement. The difficulties women face in reaching the top are also reflected in the higher levels of education and effort often demanded of them. One of the main constraints for women on the type and extent of their labor market participation is the responsibility they carry for raising children and performing household tasks. With extended working hours also a feature of senior positions, it can be often impossible to reconcile the long hours required of management staff with the amount of time needed to care for home and children. In this context, time is very much a gender issue.

Conclusion

While women have captured an ever-increasing share of the labor market, improvements in the quality of women's jobs has not kept pace. We can see this reflected in the small number of women in management jobs and their virtual absence from the most senior positions. Without a doubt, the sheer slowness of women reaching these levels is one of the main challenges we face today.

Clearly the lack of women in management positions has tremendous economic costs on society. Governments and policy makers can do much to foster their labor participation -- policies that help boost maternal employment, reconcile family and work responsibilities, and creating a framework favorable for raising fertility rates, are key priorities.

Economic growth depends on how well we deal with gender equity worldwide. If governments want more 'growth, employment and a better standard of living', we are going to need more gender sensitive policies.

While women have made tremendous strides and are continuing to do so, the 'glass ceiling' remains a reality for many women today. Knowing what I do, seeing the efforts made to support women more, I do believe with optimism and perseverance -- something we women have an abundance of -- that in the near future that ceiling will no longer exist. Much work remains, but we can 'break through.'

Thank you very much.

